

MINUTES
JOINT FINANCE-APPROPRIATIONS COMMITTEE

DATE: Friday, January 18, 2019

TIME: 8:00 A.M.

PLACE: Room C310

MEMBERS PRESENT: Senators Co-chairman Bair, Johnson, Lee, Agenbroad, Crabtree, Grow, Burtenshaw, Woodward, Ward-Engelking, and Nye.

Representatives Co-chairman Youngblood, Horman, Anderson(Anderson), Amador, Kauffman, Raybould, Syme, Troy, Wintrow, and Toone.

**ABSENT/
EXCUSED:** None

CONVENED: **Co-Chairman Bair** called the Joint Finance-Appropriations Committee (Committee) (JFAC) to order at 8:00 a.m.

AGENCY

PRESENTATION: **DEPARTMENT OF ENVIRONMENTAL QUALITY**

PRESENTER: **John Tippets, Director**

The Department of Environmental Quality (DEQ) protects public health in the environment through administration of environmental laws and directives from the federal Environmental Protection Agency (EPA). The directives include the Clean Air Act, Clean Water Act, Safe Drinking Water Act, Resource Conservation Recovery Act, and the Comprehensive Environmental Response Conservation and Liability Act, passed by Congress in the 1960s. Administration of a fourth program was added in 2016, the National Pollutant Discharge Elimination System which regulates discharge into waters of the United States. Idaho named this program the Idaho Pollutant Discharge Elimination System (IPDES). Simply stated, the DEQ administers environmental laws for air quality, water quality, and waste management. Funding for the DEQ comes from the General Fund, Dedicated Funds and Federal Funds.

The DEQ's headquarters in Boise houses approximately 200 Full Time Positions (FTPs) with approximately 190 FTPs in six regional offices. The legislature appropriated 396 FTPs in 2019.

LSO STAFF PRESENTER: **Rob Sepich, Analyst, LSO**

The FY 2018 total appropriation and estimated expenditures were \$67,899,900. Removal of onetime expenditures and a \$7,500,000 reduction in federal funds created a 2019 Base of \$69,457,400. Adjustments for benefit costs, replacement items, statewide cost allocation and CEC, plus line item requests, and a supplemental appropriation of \$250,900 created an FY 2019 total appropriation of \$67,211,000. Removal of onetime expenses resulted in an FY 2020 Base of \$65,884,400.

The FY 2020 agency request includes benefit costs, statewide cost allocation, CEC and replacement items totalling \$605,300. The replacement items include \$108,600 for 104 computers, \$163,400 for network equipment and software, \$110,600 for three light trucks, and \$172,600 to replace various specific use scientific instruments. **Mr. Sepich** noted that \$50,100 is requested to replace a boat and trailer was mistakenly included in replacement items, when in fact, the purchase is for new equipment. **Mr. Sepich** also noted that the Governor did not recommend Windows Server licenses, 26 computers, Cisco LAN switches and replacement backup tapes at the State Controller's Office, and two multi-parameter water sensors.

The agency also requests five line items for Idaho Pollution Discharge Elimination System (IPDES) enhancements; Triumph Mine Remediation; Beneficial Use Reconnaissance Program (BURP) and the Coeur d'Alene Lake Management Plan (LMP) fund shift; Environmental Remediation Match; and Water Quality Monitoring for Arsenic.

The total agency request for FY 2020 is \$67,963,100. The Governor's recommendations total \$68,064,100. See [Presentation](#) and [Audio](#).

AGENCY

PRESENTATION: **SOIL AND WATER CONSERVATION COMMISSION**

PRESENTER: **Teri Murrison, Administrator**

The Soil and Water Conservation Commission (Commission) provides technical and financial assistance to farmers and ranches to properly care for their lands and resources and to balance the economic health of communities with their natural resources. Idaho lands provide energy and transportation corridors, provide fish habitat for fish and wildlife and contribute to water quality. Approximately 30 percent of Idaho lands are privately owned.

Voluntary stewardship projects across the state are undertaken by local, state and federal partnerships which include the Natural Resource Conservation Service and water conservation districts. Funding comes from legislative allocations and community partners. In FY 2019, approximately \$1,500,000 was allocated for the districts' financial support. The average allocation to districts was \$25,000. The districts, in turn, seek grants for additional support. The Commission is working on a two and one-half year federal grant from the National Fish and Wildlife Foundation to restore meadow habitat in partnership with the National Resource Council, Office of Species Conservation, Idaho Fish and Game, and others.

LSO STAFF **Rob Sepich, Analyst, LSO**

PRESENTER:

The FY 2018 total appropriation was \$3,150,900 which included a \$25,000 Sagebrush Restoration Grant. Noncognizable fund and transfers added an additional \$179,000. Estimated FY 2018 expenditures were \$3,329,900. Removal of onetime expenditures produced an FY 2019 Base of \$3,035,300. Benefits costs, inflationary adjustments, replacement items, statewide cost allocation and CEC, plus line item requests resulted in a total FY 2019 appropriation of \$3,324,400. Removal of onetime expenditures and base adjustments produced an FY 2020 Base of \$3,311,700.

In addition to standard expenditures for benefit costs, inflationary adjustments, replacement items, statewide cost allocation and CEC, the Commission requests two line items for moving a financial specialist to full time, and a district allocation increase. The Governor's recommendation did not include these line item requests, but did include network equipment replacement, mobile device security and modernization.

The agency requests \$3,692,300. The Governor recommends \$3,435,200. See [Presentation](#) and [Audio](#).

**AGENCY
PRESENTATION:**

**SELF-GOVERNING AGENCIES:
DIVISION OF BUILDING SAFETY**

PRESENTER:

Chris Jensen, Division Administrator

The Division of Building Safety oversees 10 programs across the state with 148 authorized full time positions. Programs include electrical, plumbing, HVAC, and building inspections; elevator, industry, logging and school safety; licensing and permits; and energy, building and compliance programs. Eight Boards of Directors engage 71 members in 35 scheduled meetings every year.

**LSO STAFF
PRESENTER:**

Christine Otto, Analyst, LSO

The Division of Building Safety (Division) has one budgeted program. In FY 2018, the Division received 97 percent of their appropriation as dedicated funds, with approximately one percent as general funds and approximately one percent in federal funds. The total FY 2018 appropriation was \$14,050,100. The Division spent \$13,313,200, a difference of 5.2 percent from their original appropriations.

The Division's annual audit produced two findings, which have been corrected and reported back to the auditors.

In FY 2019, six line items were funded, including 6.0 FTPs for building inspectors. Currently in FY 2019, the Division has 147 FTE's which is above the appropriated amount; however, employee turnover has left six vacancies. Additional approved line items included Educational Curriculum, SQL Server software update, upgrade of remote desktop server, Public Utilities Commission Memorandum of Understanding and a RIM Grant. The total FY 2019 appropriation was \$14,590,800. An additional \$220,000 and FTP in noncognizable funds and transfers, less removal of onetime expenditures, produced an FY 2020 Base.

Adjustment to the FY 2020 base includes benefit costs, inflationary adjustments, replacement items, statewide cost allocation and CEC. Four line items are requested for the Northwest Energy Efficiency Alliance grant; a school security analyst, a School Violence Threat Assessment (STOP) grant, and a school safety grant. The Governor also recommends network equipment replacement and technical modernization.

The total agency request is \$15,249,000. The Governor recommends \$15,121,100.

DISCUSSION: In answer to questions by Sen. Johnson, **Mr. Jensen** explained that the school safety and security plan called for school security analysis every third year on all schools. The program has been operating for three years with consulting hours increasing from a few hundred hours to well over a thousand hours. The agency requests an additional full time consultant to assist with the increased workload.

Additional questions concerned the timing of licensing certification, inflationary adjustments, replacement items and follow up questions on school safety inspections. See [Presentation](#) and [Audio](#).

REGULATORY BOARDS

AGENCY

PRESENTATION: **BOARD OF ACCOUNTANCY**

PRESENTER: **Kent Absec, Executive Director, Board of Accountancy**

The Board of Accountancy's mission is to protect the public by ensuring that Certified Public Accountants (CPAs) guide the licensing process for public accountants and brokerage firms to ensure they are licensed and registered in Idaho and adhere to statutes and rulings. The agency has four full-time staff and seven board members. Idaho has granted licenses to approximately 2,800 individual and approximately 219 brokerage firms. The agency authorizes testing for the uniform CPA exam for Idaho candidates.

LSO STAFF

PRESENTER: **Christine Otto, Analyst, LSO**

Ms. Otto explained that the Regulatory Boards are considered one division with five agencies, each having their own budgeted programs. The agencies are: Board of Accountancy; Outfitters and Guides Licensing Board; Real Estate Commission; Board of Professional Engineers and Land Surveyors; and Bureau of Occupational Licenses. The Legislative Budget Book combines all five of those programs into one budget.

In FY 2018, the Board of Accountancy received a total appropriation of \$550,900; actual expenditures were \$449,700, a difference of 18.4 percent. It maintained its budget with no replacement or line items.

The Board of Accountancy requests a onetime appropriation of \$125,000 for a new licensing database software programs which the Board believes will dramatically improve efficiency, accuracy and completeness that is used both internally and externally. See [Presentation](#) and [Audio](#).

AGENCY

PRESENTATION: **BOARD OF PROFESSIONAL ENGINEERS AND LAND SURVEYORS**

PRESENTER: **Keith Simila, Executive Director, Board of Professional Engineers and Land Surveyors**

The first licensing of engineers began in 1919. As reported by other agencies, construction in Idaho is booming. The work load of engineers and land surveyors who support Idaho's growing economy has increased exponentially.

LSO PRESENTER: Christine Otto, Analyst, LSO

In FY 2018, the Board of Professional Engineers and Land Surveyors (IPELS) received a total appropriation of \$761,000. Actual expenditures were \$750,500, a 1.4% difference. In FY 2019, the agency requested, and was granted, two line items for attorney fee increases and for a Deputy Director of Land Surveying. **Mr. Simila** reported that the new Deputy Director is in place and operating fully.

For FY 2020, the agency requests \$5,800 from the State Regulatory Fund for contract inflation due to increased lease costs for new office space related to an additional employee. The agency also requests \$4,800 to replace four printers.

In 2020 Program Maintenance, IPELS requests two line items: an ongoing appropriation of \$44,000 from the State Regulatory Fund to contract with an administrative hearing officer. IPELS does not have legal counsel on staff. It relies on contracted attorneys to mitigate civil cases and to work with the Attorney General on criminal matters. IPELS also requests an ongoing appropriation of \$5,000 for additional compensation to board members. See [Presentation](#) and [Audio](#).

AGENCY

PRESENTATION: BUREAU OF OCCUPATIONAL LICENSES

PRESENTER: Kelly Packer, Bureau Chief, Bureau of Occupational Licenses

The Bureau of Occupational Licenses (IBOL) serves 28 of Idaho's self-supporting licensing boards, and one commission which together serve 69,791 licensees. All boards are comprised of one public member and other licensed professionals or those with board governance experience. These board verify that all applicants meet minimum requirements prior to licensing and respond to complaints from the public.

LSO STAFF PRESENTER: Christine Otto, Analyst, LSO

The total FY 2018 appropriation was \$4,615,200 with expenditures of \$4,081,200. In FY 2019, IBOL requested \$1,021,000 for database upgrade and will request a carry over of that amount.

Due to the increasing number of complaints requiring investigation, IBOL requests 1.00 FTP, or \$58,900 in ongoing personnel costs, and a \$4,400 onetime capital outlay from the State Regulatory Fund to hire an additional investigator and to provide appropriate workspace. IBOL further requests 1.00 FTP, or \$42,800, in ongoing personnel costs and a \$2,400 onetime capital outlay to hire an additional Office Specialist 2 and to provide appropriate workspace.

DISCUSSION:

In answer to questions from the Committee, **Dawn Hall**, Business Support Manager, IBOL, explained that since five agencies operate within one accounting structure, transfers can be made from one to another in order to balance each board's individual bottom line. This practice protects member boards while they take mitigating steps to return to profitable margins. Overall, the regulatory boards are financially sound.

Ms. Hall also reported that the IBOL's goal is to complete investigations within one year or less, and the addition of an investigator and office specialist will aid in that endeavor.

Alex Adams, Department of Financial Management, Office of the Governor, explained that, with respect to the Licensing Freedom Act, Lieutenant Governor issued a report last fall which posed 241 recommendations for improving licenses by either eliminating barriers to entry or renewal. Many of those are moving forward in rules and are before policy committees. The Governor delivered 20 additional universal recommendations that he wishes all boards and commissions to consider. See [Presentation](#) and [Audio](#).

AGENCY

PRESENTATION: **OUTFITTERS AND GUIDES LICENSING BOARD**

PRESENTER: **Lori Thomason, Executive Director, Outfitters and Guides Licensing Board**
The Outfitters and Guides Licensing Board regulates the industry in order to safeguard the the public. In doing so, it contributes to the conservation of Idaho’s fish, wildlife and natural resources. The Board consists of five members, three from the outfitting industry and one from the public, appointed by the Governor, and one appointed by the Idaho Fish and Game Department. In 2018, the Board licensed 418 outfitters, 436 designated agents, and 2,575 guides. The Board has not requested a fee increase since 2004 and may propose an increase.

LSO STAFF

PRESENTER: **Christine Otto, Analyst, LSO**
In FY 2018, the legislature appropriated \$610,000 to the Outfitters and Guides Licensing Board. Expenditures totalled \$470,600, or a difference of 22.9%. The Board had a maintenance budget for FY 2019 with no line item requests. The FY 2019 total appropriation was \$610,900. The FY 2020 budget carries no line item requests.

AGENCY

PRESENTATION: **REAL ESTATE COMMISSION**

PRESENTER: **MiChell Bird, Executive Director, Real Estate Commission (Commission)**
The Idaho Real Estate Commission was created in 1947 to regulate real estate brokerages, protect the public in real estate transactions, and to educate and license real estate brokers and sales associates. Funding primarily stems from license application fees and renewals. The Commission receives no General Fund monies. The Commission consists of five members who meet approximately eight times per year to establish policies and to hear and decide enforcement matters. Fourteen employees serve three departments: Administration, Education, and Licensing and Enforcement. Due to the booming housing market, the Commission issues approximately 135 new licenses each month.

LSO STAFF

PRESENTER: **Christine Otto, Analyst, LSO**
The total appropriation for FY 2018 was \$1,596,800. Actual expenditures were \$1,373,800. In FY 2019, the Commission requested one replacement item for purchase of an SUV.

The Commission received one finding in its annual audit and has worked with the State Controller’s office to develop a more vigorous monthly reconciliation process.

In FY 2020, the Commission requests \$16,100 from the State Regulatory Fund to replace computer equipment. In FY 2020, the Commission requests one line item for a hearing officer and for additional attorney fees. See [Presentation](#) and [Audio](#).

SUPPLEMENTAL BUDGET REQUESTS

LSO

PRESENTATION:

Christine Otto, Analyst, LSO

Idaho Transportation Department, Division of Transportation Services, Capital Facilities, Program District 5 Headquarters Roof Replacement

The department requests \$330,000 in onetime capital outlay to replace the roof at its District 5 headquarters located in Pocatello. The roof was installed 25 years ago and temporary repairs were completed in 2017. The roof continues to leak and the department has decided to go out for bid in early 2019. The replacement was originally appropriated for FY 2018, but the Department of Administration's Division of Public Works did not initiate the project due to a backlog of other projects.

On the request of Sen. Burtenshaw, granted by unanimous consent, the FY 2019 budget for the Idaho Transportation Department, Division of Transportation Services was reopened.

CARRIED:

Original Motion

Moved by Sen. Burtenshaw, for FY 2019, for the Idaho Transportation Department, in the Capital Facilities Program, an addition of \$330,000 onetime from the State Highway (Dedicated) Fund to be expensed for capital outlay, seconded by Sen. Nye.

AYES: 20

NAYS: 0

ABSENT/EX: 0

The majority having voted in the affirmative, the motion has passed and, without objection, will carry a DO PASS recommendation. There being no objection, it was so ordered by Chairman Bair.

LSO STAFF

PRESENTATION:

Christine Otto, Analyst, LSO

Idaho Transportation Department, Division of Contract Construction and Right-of-Way Acquisition, Strategic Initiatives Program Fund

The department requests a onetime supplemental appropriation of \$62,160,300 from the Strategic Initiatives Program (SIP) Fund. This represents the amount transferred from the General Fund, plus interest, at the close of FY 2018 as a result of the surplus eliminator. H312 in 2015 required any excess cash balance from the General Fund to be split equally and deposited into the Budget Stabilization Fund and the Strategic Initiatives Program Fund at the end of the fiscal year. The surplus eliminator clause in H312 of 2015 was due to sunset on May 30, 2017, but S1206 of 2017 extended the surplus eliminator for two years. S1206 of 2017 also required that funds be split 60/40 between the Idaho Transportation Department (ITD) and the local units of government for the Strategic Initiative Program. The surplus eliminator is set to expire

May 30, 2019. This request also includes interest calculated by using the State Treasurer's IDLE Pool.

The total amount requested to be appropriated to ITD's Strategic Initiatives Program Fund is \$37,697,800 (\$35,177,800 is 60%, plus interest of \$1,243,000).

The total amount requested to be appropriated to the local units of government's Strategic Initiatives Program Fund is \$24,462,500 (\$24,118,600 is 40%, plus interest of \$325,900).

CARRIED:

Original Motion

Moved by Sen. Crabtree, for FY 2019, for the Idaho Transportation Department, in the Contract Construction and Right-of-Way Acquisition program, the addition of \$37,697,800 onetime from the Strategic Initiative Program (Dedicated) Fund to be expended on capital outlay; and for the addition of \$24,462,500 onetime from the Strategic Initiative Program (Local) Fund to be expended for trustee and benefit payments; seconded by Rep. Kauffman.

DISCUSSION:

In answer to questions from Sen. Nye, **Ms. Otto** clarified that the surplus eliminator expires in May, 2019. The cash transfer of \$37,697,800 represents the last cash transfer for FY 2018.

In answer to questions from Rep. Syme, **Ms. Otto** stated that a large portion of these funds will be used on the I-84/Karcher Road interchange to Franklin Boulevard in Nampa. Smaller projects will be funded as well.

Rep. Youngblood declared a Rule 38 Conflict of Interest and stated that he would vote on the motion.

AYES: 20

NAYS: 0

ABSENT/EX: 0

Sen. Nye stated that he voted in the affirmative subject to legal review of how the money is spent.

The majority having voted in the affirmative, the motion has passed and, without objection, will carry a DO PASS recommendation. There being no objection, it was so ordered by Chairman Bair.

**LSO STAFF
PRESENTATION:**

**Christine Otto, Analyst, LSO
Idaho Transportation Department, Contract Construction and
Right-of-Way Acquisition, FHWA Grant I-84 Projects**

The department requests \$90,240,000 in onetime federal funds from a Federal Highway Administration Infrastructure for Rebuilding America grant which was awarded to the department on August 29, 2018. These funds are expected to finance approximately 60% of the project to ease congestion on Interstate 84 between the Karcher Interchange and Franklin Boulevard. This project includes widening I-84 to three lanes in each direction for 2.8 miles, adding auxiliary lanes, replacing and widening an overpass and an under-sized canal structure, replacing and expanding two bridges over a railroad and a canal, performing ramp improvements, reconstructing an interchange, and rebuilding a bridge over the freeway.

CARRIED:

Original Motion

Moved by Rep. Wintrow, for FY 2019, for the Idaho Transportation Department, in the Contract Construction and Right-of-Way Acquisition Program, the addition of \$90,240,000 onetime from the State Highway (Federal) Fund to be expended for capital outlay, seconded by Sen. Johnson.

AYES: 20

NAYS: 0

ABSENT/EX: 0

The majority having voted in the affirmative, the motion has passed and, without objection, will carry a DO PASS recommendation. There being no objection, it was so ordered by Chairman Bair.

**LSO STAFF
PRESENTATION:**

Rob Sepich, Analyst, LSO

Department of Fish and Game, Fisheries Program, Endangered Species Habitat Projects

The department requests a onetime supplemental appropriation of \$1,825,100 in operating expenditures to address time-sensitive habitat improvement projects for salmon and steelhead listed under the Endangered Species Act (ESA). Funding is from the National Oceanic Atmospheric Administration's (NOAA) Pacific Coastal Salmon Recovery Fund (PCSRF) and the Bonneville Power Administration (BPA) Fish and Wildlife Program administered by the Office of Species Conservation. The habitat improvement projects are currently underway and located in the Lemhi, Pahsimeroi, North Fork Salmon, and Potlatch river drainages. These voluntary projects are the culmination of years of planning and coordination with local landowners who ranch or farm in these drainages. Since these rivers contain ESA listed fish, the allowable work window is very short beginning mid-July to the end of August. The department claims that this line item is an emergency due to the short time period for work, and risk to relationships made with local stakeholders if projects are not completed as promised. This funding would allow the department to purchase pivots, pipes, pumps, habitat materials, and culvert replacement contracts ahead of the working season to ensure timely completion. Work that could be postponed to FY 2020 has been removed from this request and rescheduled. This supplemental was recommended by the Governor.

**UNANIMOUS
CONSENT:**

Moved by Sen. Burtenshaw, granted by unanimous consent, the fiscal year 2019 budget for the Department of Fish and Game was reopened.

CARRIED:

Original Motion

Moved by Sen. Burtenshaw, fiscal year 2019, for the Department of Fish and Game in the Fisheries Program, an additional \$1,825,100 for operating expenditures from the Fish and Game (Other) Fund, seconded by Rep. Troy.

AYES: 20

NAYS: 0

ABSENT/EX: 0

The majority having voted in the affirmative, the motion has passed and, without objection, will carry a DO PASS recommendation. There being no objection, it was so ordered by Chairman Bair.

**LSO STAFF
PRESENTATION:**

**Jill Randolph, Analyst, LSO
Department of Administration, Division of Public Works, Chinden
Campus**

The agency requests a transfer of \$158,500 from operating expenditures to personnel costs within the dedicated Administrative and Accounting Services Fund, and an additional 1.00 FTP. This request is to accommodate state personnel currently assigned to the Chinden Campus. Currently 2.00 FTP are stationed at the Chinden Campus, with one of those FTP being borrowed from Capitol Mall staff. The two positions are a facility services manager and a building superintendent. The State Tax Commission moved into temporary space in November 2018, and the agency asserts these positions will support tenants as more move into the Chinden Campus.

**UNANIMOUS
CONSENT:**

Moved by Rep. Anderson, granted by unanimous consent, the 2019 budget for the Department of Administration was reopened.

CARRIED:

Moved by Rep. Anderson, for fiscal year 2019, for the Department of Administration's Division of Public Works, 1.00 FTP and a fund shift of \$158,500 from operating expenditures to personnel costs within the Administration and Accounting Services Fund, seconded by Sen. Lee.

AYES: 20

NAYS: 0

ABSENT/EX: 0

The majority having voted in the affirmative, the motion has passed and, without objection, will carry a DO PASS recommendation. There being no objection, it was so ordered by Chairman Bair.

**LSO STAFF
PRESENTATION:**

**Jill Randolph, Analyst, LSO
Department of Administration, Division of Public Works, Project
Management Software**

The agency requests an additional \$181,000 ongoing from the dedicated Permanent Building Fund to pay a contractual obligation for project management software installed in FY 2018. In FY 2016, a \$280,000 onetime appropriation from the Permanent Building Fund was granted for the installation of a construction project management system. The agency did not request or recommend ongoing costs associated with this project. The software was purchased, installed, and operational in FY 2018. There are 400 annual licenses associated with this software, for an annual cost of \$180,200. Users of this software include all design and construction employees at the Division of Public Works and external agencies, design professionals, contractors, and vendors who do business with the Division of Public Works for project management.

DISCUSSION:

In answer to questions from Rep. Raybould, **Keith Reynolds**, Department of Administration explained that the need for ongoing licensing renewal cost was inadvertently overlooked in the FY 2018 budget process. The oversight was discovered in June 2018 upon receipt of an invoice for annual maintenance. No funds were available at that time, and payment was delayed until FY 2019.

Original Motion

Moved by Sen. Woodward, for fiscal year 2019, for the Department of Administration's Division of Public Works, an additional \$181,000 ongoing operating expenditures within the Permanent Building Fund, seconded by Sen. Lee.

AYES: 20

NAYS: 0

ABSENT/EX: 0

The majority having voted in the affirmative, the motion has passed and without objection will carry a DO PASS recommendation. There being no objection, it was so ordered by Chairman Bair.

**LSO STAFF
PRESENTATION:**

Jill Randolph, Analyst, LSO

Department of Administration, Division of Purchasing, Postal Increase

The agency requests \$80,700 ongoing and \$7,100 onetime from the dedicated Administration and Accounting Services Fund for Central Postal Services cost increases. In FY 2019, Central Postal Services began providing services to the Idaho Transportation Department and the Idaho State Tax Commission. The addition of these large agencies resulted in increased costs and the need for larger equipment. The amount requested would be spent as follows: \$32,400 for meter ink and labels for the 2.2 million piece increase on metered mail and the 9,000 piece increase of packages; \$32,200 for inserter leasing charges to accommodate a new lease for the larger equipment to replace an expiring lease; \$7,100 onetime and \$1,900 ongoing for an upgraded shipment tracking system to reduce staff time by automating the internal package delivery process; and \$14,200 for new meter leasing charges. The agency asserts that Central Postal Services allows the state to save money by servicing mail needs in-house. If not funded, Central Postal Services will be unable to provide the level and options of services it currently offers.

CARRIED:

Original Motion

Moved by Sen. Lee, for fiscal year 2019, for the Department of Administration's Division of Purchasing, an additional \$80,700 in ongoing operating expenditures and \$7,100 in onetime operating expenditures, for a total of \$87,800 from the Administration and Accounting Services Fund, seconded by Rep. Anderson.

AYES: 20

NAYS: 0

ABSENT/EX: 0

The majority having voted in the affirmative, the motion has passed and, without objection, will carry a DO PASS recommendation. There being no objection, it was so ordered by Chairman Bair.

AJDOURN:

Having no further business before the Committee, **Chairman Bair** adjourned the meeting at 10:59 a.m.

Senator Bair
Chair

Elaine Leedy
Secretary